Treasury and Policy Board Office

2004–2005
Accountability Report

NOVA SCOTIA

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Accountability Statement

The Accountability Report of the Treasury and Policy Board Office, for the year ended March 31, 2005, is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Treasury and Policy Board Office business plan information for the fiscal year 2004–2005.

The reporting of Treasury and Policy Board Office outcomes necessarily includes estimates, judgments, and opinions by Treasury and Policy Board management.

We acknowledge that this accountability report is the responsibility of Treasury and Policy Board management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Treasury and Policy Board business plans for the year 2004–2005.

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Minister

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Deputy Minister

Message from the Minister

I am pleased to present the annual accountability report of the Treasury and Policy Board Office for the fiscal year 2004–2005.

The Treasury and Policy Board Office is the Province of Nova Scotia's central planning agency, playing a key role in the planning, budgeting and accountability processes of government. An important responsibility of the Treasury and Policy Board Office is to promote accountability for the plans, priorities and performance targets of Government and its departments and agencies. Improving accountability and performance reporting in government has been, and will continue to be, a primary focus for Treasury and Policy Board.

This report outlines progress and accomplishments in Treasury and Policy Board's core business areas and financial results achieved in 2004–2005.

I believe we made considerable progress in our efforts to improve efficiency and good management in all departments and offices of government.

We are committed to promoting good management and a professional public service, this year and every year.

Honourable Michael G. Baker, Q.C.

Introduction

Accountability reporting seeks to demonstrate performance by reporting on an annual basis to the House of Assembly, results achieved in relation to the goals and the priorities set out in the annual business plan.

The accountability report is presented in three main sections. The first section defines the mandate and goals of the Treasury and Policy Board (TPB) Office and describes the progress toward achieving the priorities of each core business area as set out in the 2004–2005 business plan. The priorities are those major initiatives or planned accomplishments that are fundamental to the success of each core business area. Accordingly, each priority plays an integral role in ensuring a core business area meets its expected results.

The second section reviews the financial results and the final section describes how the results of the core business area contribute to the TPB Office goals.

Mandate

The Treasury and Policy Board was created as a Committee of Executive Council in June of 2001, under the *Government Restructuring Act*.

The Treasury and Policy Board Office provides operational and administrative support to Treasury and Policy Board and Executive Council. Key responsibilities and strategic goals of the office include:

- to provide high quality analysis and recommendations to the Executive Council and Treasury and Policy Board
- to improve communications between elected officials and the public service, including Crown corporations and other government agencies
- to improve accountability of government and the public service, including Crown corporations and other government agencies
- to strengthen the corporate leadership of the public service
- to promote the implementation of government's strategic plan, through the improved integration of planning, budgeting, and communications
- to improve systems, processes, and procedures required for effective and efficient administration of government.

These strategic goals are part of a continuing effort to ensure that decisions are integrated and aligned with the fiscal and social policies of government.

The Treasury and Policy Board Office monitors and sets government-wide policies, analyzes and makes recommendations regarding proposed department and agency program changes, and assists and monitors to ensure that decisions are implemented.

The Treasury and Policy Board Office values facilitation, collaboration, and shared accountability in guiding departments, agencies, and independent Crown corporations in their operations.

The Treasury and Policy Board Office works closely with the Department of Finance to develop the provincial budget, and has close links with Communications Nova Scotia to ensure effective internal and external communication of government priorities and decisions.

Organization

The Treasury and Policy Board Office has a budgeted staff complement of 29.0 (per 2004–2005 Estimates Book). The number of forecasted full-time equivalents for 2004–2005 was 25.3 due to unfilled positions. The Assistant Deputy Minister oversees the day-to-day operations of the office, reporting to the Deputy Minister of Treasury and Policy Board Office.

Progress and Accomplishments

Core Business Area 1: Support to Treasury and Policy Board / Cabinet

PRIORITY

Develop and implement an action plan to further improve the quality and methods of staff support to Cabinet/TPB and its sub-committees.

ACCOMPLISHMENTS

On March 29, 2005, the Treasury & Policy Board Office and the Executive Council Office was reorganized into three new branches:

Treasury Branch will provide analysis and advice in the province's longer term investment requirement and opportunities, in addition to allocating and monitoring provincial expenditures.

Policy Branch will develop and manage the province's policy agenda and improve inter-agency coordination, in addition to analysing all Executive Council submissions.

Executive Council Operations will be a single point of contact for the flow of information to and from Executive Council and its Committees, functions formerly managed by both the Treasury and Policy Board Office and the Executive Council Office.

The benefits from this restructuring are as follows:

- Departments now have one point of contact for all Memoranda and Reports and Recommendations. Many departments called for this change during our client surveys.
- Departments will see most of their significant issues go to the respective Cabinet Committee(s) for consideration prior to Cabinet's review. This provides better guidance for departments and improved decision support for Cabinet. Additionally, TPB Office's new structure, focussed along three functional lines, helps TPB Office provide departments with a broader government-view of significant policy and financial challenges.
- Through regular forward-looking exercises, establishes the likely business of Cabinet and its Committees.
- With increased emphasis on Executive Council Operations, Treasury and Policy Board Office now has the capacity to improve accountability for a variety of processes vital to the effective operations of Cabinet and its

Committees and to provide corporate leadership on third party governance.

Core Business Area 2: Strategic Planning and Budgeting

PRIORITY

Complete the Business Planning , Budgeting and Accountability Framework Project and publish the corporate policy in the Management Manual, accompanied by user guides for use by departments and agencies.

The Framework project was started in 2003–2004. The objective of the Framework project is to develop a corporate policy which explains the linkages between business planning, budgeting and accountability reporting to ensure consistency and coordination. The Framework also explains the purpose\role of environmental scanning, operational planning, performance measurement and program evaluation and their linkages in the system.

ACCOMPLISHMENTS

The Business Planning , Budgeting and Accountability Framework has been drafted except for the communications and production cycle section. Work on the last section and publication will take place in 2006–2007.

Core Business Area 3: Coordination of Corporate Policies and Priorities

Program Inventory and Costing Initiative (PICI)

2004–2005 was the second year of this initiative. The purpose of the project is to develop an inventory of programs and services, with related cost information. The inventory will provide important information to help government assess the effectiveness, economy, and efficiency of programs and services and to formulate policy and funding decisions.

PRIORITY

Complete the program inventory component of the project. Full implementation and development of a costing methodology is expected to span several years.

ACCOMPLISHMENT

A program inventory was successfully completed during 2004–2005. Work continues on developing a costing methodology. Our focus for the future will be

to enhance PICI system capabilities to ensure the accurate, complete, efficient and timely update of program information and program reporting.

User Fee Policy

2004–2005 was the second year of a two year project. The purpose of the project is to develop corporate policy and guidelines for the administration of user fees. The project also includes developing a user fee database to provide management information. The 2004–2005 priority built on research work done in the previous year on user fee practices in other jurisdictions.

PRIORITY

Complete development of a user fee policy, in consultation with departments, and plan development of a user fee database.

ACCOMPLISHMENTS

A master list of user fees has been developed with information updated to March 2005. Plans to migrate this information to a user fee database will be developed in 2005-2006. A draft user fee policy is under review and a related costing methodology is being tested in coordination with the PICI project.

Core Business Area 4: Supporting Effective Corporate Administration of Government

Management Manuals

The Treasury and Policy Board Office will continue to promote the use of the Management Manuals and its website. The TPB Office will oversee the approval process for new policies, the repeal of redundant policies and the amendment of existing policies. Policies posted on the Management Manual website require review at least once every 3 years.

PRIORITY

a) Provide Management Manual training as part of the Executive and Management Development programs and to provide information sessions to departments, offices and Crown corporations on the use and applicability of the Management Manuals.

b) Work with departments (the owners of policies) to promote compliance with existing policies and ensure that reviews occur in a timely manner.

ACCOMPLISHMENTS

a) Provided specific Management Manual training and awareness to civil servants through regularly scheduled Public Service Commission training and leadership development sessions, e.g. Front Line Managers, Middle Management Orientation, and Executive Development Program. Provided information sessions on the use and applicability of the Management Manuals to departments, offices and Crown Corporations by making presentations at respective senior management meetings.

b) Policies posted in the Management Manuals are reviewed at least every 3 years. TPB staff are on target in the review schedule. During this review process, TPB staff work with departments (the owners of respective policies) to promote compliance with the policies and remind policy owners that compliance to the policies are subject to audit.

Business Planning and Accountability Reporting

2003–2004 fiscal year marked the end of the fourth year for current policies and guidelines for business planning and accountability reporting.

PRIORITY

Consult with users as part of a review of existing business planning and accountability reporting practices to improve the usefulness and value of these documents to stakeholders.

ACCOMPLISHMENTS

Departments and other stakeholders were consulted on business planning and accountability reporting practices during 2004–2005. Business planning guidelines issued in December 2004 introduced several improvements including:

a) more flexible reporting formats to address unique reporting requirements;
b) the ability to organize priorities and measures according to strategic goals as well as by core business area;
c) redefinition, where necessary, of core business areas based on changed responsibilities and new information;
d) flexibility in setting target dates for performance measures according to the nature of the initiative (formerly a fixed 4 year target date).

The changes introduced in 2004–2005 will apply to the 2005-2006 and subsequent business planning and accountability reporting cycles.

Third-Party Entity Reporting and Governance

Third-party entities collectively account for more than $2.5 billion in annual program spending. Strengthened policies related to reporting and governance will assist Government in meeting the objectives of the fiscal plan by ensuring relevant information is received on a timely basis.

PRIORITY

Strengthen reporting and governance policies and practices for third-party entities consolidated in the financial statements of the Province. This is a planned multi-year initiative. The emphasis in the first year will be on strengthening financial reporting practices for these entities.

ACCOMPLISHMENTS

The emphasis in the first year of this multi-year initiative was on strengthening financial reporting practices for third party entities. Consultation started with third party entities to determine what financial information they currently provide on a monthly, quarterly and annual basis. Some entities already have legislated requirements in these areas, whereas it would be new for others to provide information beyond yearly audited financial statements. This work will continue in 2005–2006.

In December 2004, Treasury and Policy Board commenced a project to research existing governance and accountability practices in third-party agencies and to make recommendations where improvements may be made.

Financial Results

Treasury and Policy Board - Estimated Budget Expenditures			
	Actual 2003–2004	Budget 2004–2005 (Per 2004–2005 Estimates Book)	Actual 2004–2005
	($000's)	($000's)	($000's)
Total - Gross Current	$2,406.2	$2,742.0	$2,378.7
Salaries and Benefits	$2,020.5	$2,377.9	$2,158.7
Funded Staff (FTEs)	25.5	29.0	25.3

Performance Measures

Treasury and Policy Board Office assessed its performance through multiple approaches which incorporated both qualitative and quantitative data. A key tool to measure performance is a bi-annual survey of departments which is carried out to gain quantitative measures of satisfaction. A survey was carried out in 2003–2004 and will be conducted again in 2005–2006.

Core Business Areas, Measures, and Outcomes

Core Business Area 1: Support to Treasury and Policy Board / Cabinet

Overall Satisfaction With Cabinet Document Submission Process

A core function of Treasury and Policy Board Office is to support Cabinet and Cabinet committees by providing quality information and advice on document submissions.

Measure:	Overall satisfaction with information and advice to Executive Council and TPB per bi-annual Client Survey
Outcome:	Quality information and advice to Executive Council and Treasury and Policy Board

What Does The Measure Tell Us?
It is important that TPB's work add value to the document submission process. We measure satisfaction with the document submission process through a bi-annual survey of clients.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 77% of our clients reported that they were satisfied with the document submission process to Treasury and Policy Board and Cabinet. In our 2005 Client Survey, 85% of our clients reported satisfaction with the document submission process. Our target for 2004–2005 was to increase satisfaction levels above 77% which was achieved. We will continue to maintain a high level of satisfaction with the document submission process.

Core Business Area 2: Strategic Planning and Budgeting

A) Overall Satisfaction With The Budget, Business Planning and Accountability Reporting Process

A core function of Treasury and Policy Board Office is to coordinate the government expenditure budget development and the business planning and accountability reporting processes for government, departments and agencies.

Measure:	Overall satisfaction with: budget process; business plan process; and accountability reporting process.
Outcome:	Improved financial and business planning and accountability reporting

What Does The Measure Tell Us?

Developing expenditure budgets and coordinating the business planning and accountability reporting process for government, departments and agencies is a complex undertaking. It is important that these processes be coordinated and that departments and agencies receive the support they need to prepare quality documents on a timely basis. We measure satisfaction with the budget, business planning and accountability reporting process through a bi-annual survey of clients.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 65% of our clients reported that they were satisfied with the budget and business planning processes. 63% reported satisfaction with the accountability reporting process. In our 2005 Client Survey, satisfaction with the business planning and accountability reporting process increased significantly to 78% and 80% respectively. Satisfaction with the budget process increased slightly to 66%. Our target for 2004–2005 was to increase satisfaction levels above 65% which was achieved. We will continue to maintain a high level of satisfaction with the budget, business planning and accountability reporting processes.

B) Understanding Government Priorities

A core function of the Treasury and Policy Board Office is government-wide strategic planning and budgeting.

Measure:	Client survey: Percentage of survey respondents who said they have a good understanding of Government's priorities and goals
Outcome:	Increased understanding of Government's priorities

What Does The Measure Tell Us?
A clear understanding of government priorities and goals is fundamental to making progress and achieving results. We measure survey respondent understanding of government priorities and goals through the bi-annual survey of clients.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 86% of survey respondents reporting having a good understanding of government priorities and goals. In our 2005 Client Survey, this percentage increased slightly 88%. Our target for 2004–2005 was to maintain this percentage at 86% which was achieved. We will continue to ensure a high level of understanding of government priorities and goals.

Core Business Area 3: Coordination of Corporate Policies and Priorities

Collaborative Policy Development

A core function of the Treasury and Policy Board Office is to coordinate corporate policies and priorities.

Measure:	Client survey: Percentage of survey respondents agreeing that TPB provides good leadership in coordinating corporate policy efforts.
Outcome:	Collaborative policy development

What Does The Measure Tell Us?
The successful development and implementation of government-wide policies and priorities requires coordination across departments and agencies. Treasury and Policy Board Office provides an important leadership role in the coordination function. We measure satisfaction with TPB's leadership role through the bi-annual client survey.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 60% of survey respondents agreed that TPB provided good leadership in coordinating corporate policy efforts. In our 2005 Client Survey, this percentage increased 67%. Our target for 2004–2005 was to increase this percentage above 65% which was achieved. We will continue to work to improve the coordination of corporate policy development and implementation.

Core Business Area 4: Supporting Effective Corporate Administration of Government

A core function of the Treasury and Policy Board Office is to maintain administrative policies of government through regular updates to the Management Manuals.

Measure:	Client survey: Percentage of survey respondents satisfied with the Management Manual updating process.
Outcome:	Useful administrative policies that facilitate efficient government administration

What Does The Measure Tell Us?
Useful and up-to-date administrative policies facilitate efficient government operations. Treasury and Policy Board Office maintains corporate administrative policies through the Management Manual update process. We measure satisfaction with the Management Manual update process through the bi-annual client survey.

Where Are We Now and Reporting on 2004–2005 Targets

In 2003, 83% of survey respondents were satisfied with the Management Manual update process. In our 2005 Client Survey, this percentage declined to 71%. Our target for 2004–2005 was to maintain satisfaction levels at 80% or above. We are investigating the reason for the decline in client satisfaction and will take steps to improve satisfaction levels for the future.